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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

EFFINGHAM JAMES,

Docket No. CV 05-2593
(TCP)(AKT)

Plaintiff,

against

**ANSWER OF
DEFENDANTS FFFC f/n/o
FIRST FRANKLIN
FINANCIAL GROUP AND
NATIONAL CITY HOME
LOAN SERVICES INC.**

ORDRA N. ARANGO, FFFC f/n/o FIRST FRANKLIN
FINANCIAL GROUP, NATIONAL CITY HOME LOAN
SERVICES INC., A&A GLOBAL RESOURCES INC.,
aka A&A GLOBAL RESOURCES LTD., ANN ALVAREZ,
ALFRED MILLS, DISCOUNT FUNDING ASSOCIATES,
WALLY DUVAL, and CHARLES LIECHTUNG a.k.a
CHAIM LIECHTUNG,

Defendants.

The defendants, FFFC f/n/o FIRST FRANKLIN FINANCIAL GROUP ("FFFC") and NATIONAL CITY HOME LOAN SERVICES, INC. ("National City") (collectively, the "Defendants"), by and through their attorneys, Buchanan Ingersoll P.C., as and for their Answer to the Amended Complaint of the plaintiff (the "Complaint"), Effingham James ("the Plaintiff") respectfully alleges as follows:

JURISDICTION AND VENUE

1. Paragraph 1 to the Complaint sets forth allegations of law to which no response is required, except the Defendants deny the existence of facts sufficient to sustain it and respectfully refers all questions of law to the Court.

2. Paragraph 2 to the Complaint sets forth allegations of law to which no response is required, except the Defendants deny the existence of facts sufficient to sustain it and respectfully refers all questions of law to the Court.

3. Paragraph 3 to the Complaint sets forth allegations of law to which no response is required, except the Defendants deny the existence of facts sufficient to sustain jurisdiction over them.

4. Paragraph 4 to the Complaint sets forth allegations of law to which no response is required, except the Defendants deny the existence of facts to sustain jurisdiction and venue.

PARTIES

5. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 5 to the Complaint.

6. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 6 to the Complaint.

7. Admits the allegations contained within paragraph 7 to the Complaint.

8. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 8 to the Complaint.

9. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 9 to the Complaint.

10. Admits the allegations contained within paragraph 10 to the Complaint.

11. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 11 to the Complaint.

12. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 12 to the Complaint.

13. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 13 to the Complaint.

14. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 14 to the Complaint.

BACKGROUND FACTS

15. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within both paragraphs enumerated 15 to the Complaint.

16. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within the second paragraph numbered 16 to the Complaint.

17. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 17 to the Complaint.

18. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 18 to the Complaint.

19. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within the second paragraph 18 to the Complaint.

20. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within the second paragraph numbered 19 to the Complaint.

21. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 20 to the Complaint.

22. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 21 to the Complaint.

23. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 22 to the Complaint.

24. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 23 to the Complaint.

25. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 24 to the Complaint.

26. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 25 to the Complaint.

27. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 26 to the Complaint.

28. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 27 to the Complaint.

29. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 28 to the Complaint.

30. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 29 to the Complaint.

31. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 30 to the Complaint.

32. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 31 to the Complaint.

33. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 32 to the Complaint.

34. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 33 to the Complaint.

35. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 34 to the Complaint.

36. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 35 to the Complaint.

37. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 36 to the Complaint.

38. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 37 to the Complaint.

39. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 38 to the Complaint.

40. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 39 to the Complaint.

41. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 40 to the Complaint.

42. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 41 to the Complaint.

43. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 42 to the Complaint.

44. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 43 to the Complaint.

45. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 44 to the Complaint.

46. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 45 to the Complaint.

47. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 46 to the Complaint.

48. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 47 to the Complaint.

49. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 48 to the Complaint.

50. Denies the allegations contained within paragraph 49 to the Complaint.

51. Denies the allegations contained within both paragraphs enumerated 50 to the Complaint.

52. Denies the allegations contained within paragraph 51 to the Complaint.

53. Denies the allegations contained within paragraph 52 to the Complaint.

54. Denies the allegations contained within paragraph 53 to the Complaint.

55. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 54 to the Complaint.

56. Denies the allegations contained within paragraph 55 to the Complaint.

57. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 56 to the Complaint.

58. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 57 to the Complaint.

59. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 58 to the Complaint.

60. Denies the allegations contained within paragraph 59 to the Complaint.

61. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 60 to the Complaint.

62. Denies the allegations contained within paragraph 61 to the Complaint.

63. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 62 to the Complaint.

64. Denies the allegations contained within paragraph 63 to the Complaint.

65. Denies the allegations contained within paragraph 64 to the Complaint.

66. Denies the allegations contained within paragraph 65 to the Complaint.

67. Denies the allegations contained within paragraph 66 to the Complaint.

68. Denies the allegations contained within paragraph 67 to the Complaint.

69. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 68 to the Complaint.

70. Denies the allegations contained within paragraph 69 to the Complaint.

71. Denies the allegations contained within paragraph 70 to the Complaint.

72. Denies the allegations contained within paragraph 71 to the Complaint.

73. Denies the allegations contained within paragraph 72 to the Complaint.

74. Admits that part of paragraph 73 to the Complaint that alleges that National City commenced a foreclosure action in the New York State Supreme Court in and for Queens County, but denies the remaining allegations contained within paragraph 73 to the Complaint.

75. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 74 to the Complaint.

76. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 75 to the Complaint.

77. Denies the allegations contained within paragraph 76 to the Complaint.

78. Denies the allegations contained within paragraph 77 to the Complaint.

79. Denies the allegations contained within paragraph 78 to the Complaint.

80. Admits that portion of paragraph 79 to the Complaint that alleges the plaintiff commenced an action in the New York State Supreme Court in and for Queens County to quiet title, but denies the remaining allegations contained within paragraph 79 to the Complaint.

ANSWERING COUNT 1

81. Denies the allegations contained within paragraph 80 to the Complaint.

82. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 81 to the Complaint.

83. Denies the allegations contained within paragraph 82 to the Complaint.

84. Denies the allegations contained within paragraph 83 to the Complaint.

85. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 84 to the Complaint.

86. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 85 to the Complaint.

87. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 86 to the Complaint.

88. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 87 to the Complaint.

89. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 88 to the Complaint.

90. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 89 to the Complaint.

91. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 90 to the Complaint.

92. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 91 to the Complaint.

93. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 92 to the Complaint.

94. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 93 to the Complaint.

95. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 94 to the Complaint.

96. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 95 to the Complaint.

97. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 96 to the Complaint.

98. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 97 to the Complaint.

99. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 98 to the Complaint.

100. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 99 to the Complaint.

101. Denies the allegations contained within paragraph 100 to the Complaint.

102. Denies the allegations contained within paragraph 101 to the Complaint.

103. Denies the allegations contained within paragraph 102 to the Complaint.

104. Denies the allegations contained within paragraph 103 to the Complaint.

ANSWERING COUNT II

105. Denies the allegations contained within paragraph 104 to the Complaint.

106. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 105 to the Complaint.

107. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 106 to the Complaint.

108. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 107 to the Complaint.

109. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 108 to the Complaint.

110. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 109 to the Complaint.

111. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 110 to the Complaint.

112. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 111 to the Complaint.

113. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 112 to the Complaint.

114. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 113 to the Complaint.

115. Denies the allegations contained within paragraph 114 to the Complaint.

116. Denies the allegations contained within paragraph 115 to the Complaint.

117. Denies the allegations contained within paragraph 116 to the Complaint.

118. Denies the allegations contained within paragraph 117 to the Complaint.

119. Denies the allegations contained within paragraph 118 to the Complaint.

120. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 119 to the Complaint.

121. Denies the allegations contained within paragraph 120 to the Complaint.

122. Denies the allegations contained within paragraph 121 to the Complaint.

123. Denies the allegations contained within paragraph 122 to the Complaint.

124. Denies the allegations contained within paragraph 123 to the Complaint.

125. Denies the allegations contained within paragraph 124 to the Complaint.

126. Denies the allegations contained within paragraph 125 to the Complaint.

127. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 126 to the Complaint.

128. Denies the allegations contained within paragraph 127 to the Complaint.

ANSWERING COUNT III

129. Denies the allegations contained within paragraph 128 to the Complaint.

130. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 129 to the Complaint.

131. Denies the allegations contained within paragraph 130 to the Complaint.

132. Denies the allegations contained within paragraph 131 to the Complaint.

ANSWERING COUNT IV

133. Denies the allegations contained within paragraph 132 to the Complaint.

134. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 133 to the Complaint.

135. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained within paragraph 134 to the Complaint.

ANSWERING COUNT V

136. Denies the allegations contained within paragraph 135 to the Complaint.

137. Denies the allegations contained within paragraph 136 to the Complaint.

AS AND FOR A FIRST AFFIRMATIVE DEFENSE

138. The Complaint fails to state a claim upon which relief can be granted.

AS AND FOR A SECOND AFFIRMATIVE DEFENSE

139. This Court lacks subject matter jurisdiction as this action is already the subject of an action filed in the New York State Supreme Court in and for Queens County, in which discovery has already been commenced.

AS AND FOR A THIRD AFFIRMATIVE DEFENSE

140. Plaintiff failed to mitigate, obviate, diminish and/or otherwise reduce their damages, if any, alleged in the Complaint.

AS AND FOR A FOURTH AFFIRMATIVE DEFENSE

141. The allegations contained within the Complaint are barred by the doctrines of waiver and estoppel.

AS AND FOR A FIFTH AFFIRMATIVE DEFENSE

142. The allegations contained within the Complaint are barred by the doctrine of laches and the applicable statute of limitations.

AS AND FOR A SIXTH AFFIRMATIVE DEFENSE

143. If the Plaintiff sustained the damages set forth in the Complaint, then such damages were sustained in whole or part by the conduct of third person(s) or entity(ies) whose conduct, intentional or otherwise, the Defendants were not responsible.

AS AND FOR A SEVENTH AFFIRMATIVE DEFENSE

144. Plaintiff lacks standing to assert the claims alleged in the Complaint.

AS AND FOR AN EIGHTH AFFIRMATIVE DEFENSE

145. Plaintiff's claims are barred by the Parol Evidence Rule.

AS AND FOR A NINTH AFFIRMATIVE DEFENSE

146. If the Plaintiff suffered any damages, which the Defendants deny, such damages were caused by its own action and/or inactions.

AS AND FOR A TENTH AFFIRMATIVE DEFENSE

147. A defense is founded upon the documentary evidence in this action.

AS AND FOR AN ELEVENTH AFFIRMATIVE DEFENSE

148. Plaintiff's claims are barred by the doctrines of collateral estoppel and res judicata.

AS AND FOR A TWELFTH AFFIRMATIVE DEFENSE

149. Plaintiff's claims are barred because assignee liability does not exist.

AS AND FOR A THIRTEENTH AFFIRMATIVE DEFENSE

150. Plaintiff's claims are barred pursuant to the doctrine of accord and satisfaction.

AS AND FOR A FOURTEENTH AFFIRMATIVE DEFENSE

151. Plaintiff's claims are barred for the failure to plead fraud with particularity.

AS AND FOR A FIFTEENTH AFFIRMATIVE DEFENSE

152. Plaintiff's claims should be dismissed pursuant to the doctrines of ratification and/or affirmance.

AS AND FOR A SIXTEENTH AFFIRMATIVE DEFENSE

153. Plaintiff's claims should be dismissed, in whole or in part, because National City is a holder in due course as it took the subject Note and Mortgage, negotiable instruments, for value, in good faith, and without notice or actual knowledge of any defense thereto.

AS AND FOR A SEVENTEENTH AFFIRMATIVE DEFENSE

154. Plaintiff's claims are barred pursuant to Article 3 of the New York Uniform Commercial Code, including but not limited to §§ 3-301, *et. seq.*

AS AND FOR AN EIGHTEENTH AFFIRMATIVE DEFENSE

155. Plaintiff's claims should be dismissed because it failed to show a pattern or continuity of prohibited related acts or the participation or investment in an enterprise on the part of the Defendants.

AS AND FOR A NINETEENTH AFFIRMATIVE DEFENSE

156. The Defendants reserve the right to assert additional affirmative defenses as such are determined during the course of this litigation.

**AS AND FOR ITS CROSS CLAIMS AGAINST CO-DEFENDANTS
ODRA N. ARANGO, A&A GLOBAL RESOURCES INC. aka A&A GLOBAL
RESOURCES LTD., ANN ALVAREZ, ALFRED MILLS, DISCOUNT FUNDING
ASSOCIATES, WALLY DUVAL AND CHARLES LIECHTUNG
a.k.a CHAIM LIECHTUNG**

157. In the event that it is determined that Plaintiff was damaged, the damages sustained by the Plaintiff were caused by the conduct of co-defendants Odra N. Arango, A&A

Global Resources, Inc. aka A&A Global Resources Ltd., All Alvarez, Alfred Mills, Discount Funding Associates, Wally Duval and Charles Liechtung a.k.a Chaim Liechtung (collectively, the "Co-Defendants").

158. If Plaintiff sustained the damages as alleged in the Complaint, and if it is found that either FFFC or National City, or both, are liable to the Plaintiff herein, all of which is specifically denied, then FFFC and National City are entitled to contribution and/or indemnification for all or part of any judgment or verdict or compromise rendered against them from the Co-Defendants.

159. If Plaintiff is caused to sustain any damages at the times and place alleged in the Complaint, through any negligence, intentional acts and/or culpable conduct other than that of Plaintiff, then said damages were caused, in whole or in part, by the negligence, recklessness, intentional acts and/or culpable conduct of the Co-Defendants.

WHEREFORE, FFFC and National City respectfully demand judgment dismissing the Complaint herein, judgment on their cross-claims, together with an award for the costs and disbursements of this action and any reasonable attorneys' fees incurred in defense of this action and such other and further relief this Court deems just and proper under the circumstances.

Dated: New York, New York
May 31, 2006

BUCHANAN INGERSOLL PC
Attorneys for Defendants FFFC f/n/o First
Franklin Financial Group and National City
Home Loan Services, Inc.

By: _____
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